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House of Representatives

Washington, DC 20515

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ORIGINAL

May 20, 2003

Mr. Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

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Federal Communications Commission
Office of the Secretary

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Merger-HBC
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Dear Mr. Powell:

I am writing regarding the pending merger between Univision Communications, Inc. and Hispanic Broadcasting Corporation (HBC). Certain misinformation about the merger and its parties has recently come to my attention, and I would like to clarify a number of misconceptions.

First and foremost, it has been suggested that this is a merger between Univision and Clear Channel. As you are aware, this is a merger between Univision and HBC. Clear Channel currently holds a passive investment interest in HBC and, post-merger, will have a mere 3.66% voting interest in the combined companies.

It has also been suggested that this merger will result in decreased competition in Spanish language formatted media and reduced opportunities for Hispanic media ownership. This merger will not consolidate any similar telecommunications interests. At present, HBC owns only 8% of Spanish language radio stations, and Univision owns less than 20% of Spanish language television stations. Further, Univision currently owns no radio stations, and HBC owns no television stations. In fact, instead of resulting in decreased competition, the merger will trigger an influx of funds to Spanish language media. Two-thirds of top advertisers do not currently focus on the Latino market. This merger will facilitate market growth - as the combined companies bring more advertisers into Spanish language media - the entire media market will benefit.

Regarding ownership, Hispanics are well-represented at both HBC and Univision. Both companies are publicly owned, with hundreds of Hispanic stockowners. Univision's eight-member board is 50% Hispanic and this ratio will be maintained post-merger. Eighty percent of all employees at the two companies are Hispanic. This merger will not decrease the number of Hispanic-owned media companies. As both Univision and HBC have grown, they have broken barriers for Hispanic-focused media outlets, making it possible for minorities and small businesses to receive financing to enter the market. Further, both companies have actually expanded the Hispanic formatted broadcast radio market. In developing their company, HBC acquired mostly underperforming English-language stations and converted them to Spanish, while Univision, in choosing to diversify into radio, declined to purchase existing single or small group owned Spanish-language radio stations, deciding instead to merge with HBC.

Like many of my colleagues, I am concerned with preserving a competitive market for all underserved media including those specializing in Spanish-language. Suggestions that Hispanic

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Mr Michael K Powell
May 20, 2003
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formatted stations be segregated from other media are offensive to many of my Latino constituents who have worked hard to be part of the American experience. Just as other specialty formatted stations compete for viewers, listeners and advertisers, including those stations targeting urban, African American, Asian, or religious, ethnic, and cultural audiences, Hispanics should be treated equally. I am very proud of the Hispanic culture in Texas and would oppose any suggestion that the media serving this community could be considered substandard or different from any other media market.

I strongly support and promote Hispanic ownership of media. I believe that the pending merger between Univision and HBC will greatly benefit small and new minority ownership of Hispanic formatted stations by growing the advertising market. Post-merger, both companies will continue to operate similarly to their existing structures while preserving existing jobs and ownership. It is anticipated that the combined companies' workforce will continue to expand as the company increases resources to the Spanish language media market and services to the Hispanic community.

This merger has now been pending for over ten months. Given the scrutiny that this application has undergone and the potential benefits to the Hispanic community, I would ask you to proceed in approving the transaction in a timely manner.

Thank you for your consideration, and I look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read 'M Frost'.

MARTIN FROST
Member of Congress

MF/sah